

Mr Chairman and members of the Committee, my name is Chip Baggett. I am the Director of Legislative Relations for the North Carolina Medical Society (NCMS). Thank you for the opportunity to speak today on this important issue that affects every NC citizen. Medicaid Reform is one of the top priorities of the NCMS.

We believe that a physician-led, accountable care model is the best way to move forward. This has been our consistent position throughout this discussion. Such a model, similar to that proposed by the Governor as a product of his Medicaid Reform Advisory Group and later developed for your consideration by the Department of Health and Human Services, builds on the long history of success that we have here in NC.

That success has its foundation in the primary care medical homes relied upon by nearly every Medicaid patient in NC for more than a decade. The physician networks through Community Care of NC have shown us how we can control costs while focusing on the patient and their needs. Accountable care organizations are the natural outgrowth from this foundation including physician specialists and broadening the provider partnerships to cover a complete range of services through a broad medical neighborhood.

We believe that this is the only way that you can achieve long-term predictability within your budget while maintaining the integrity of the physician-patient relationship. By building on our joint success, doctors are able to focus on

their patients and measure themselves with other physicians to achieve high quality care and coordination. This leads to lower cost not just through avoidance of emergencies but also through care coordination that aids the Medicaid patients in accepting personal responsibility as a part of the accountability team working toward improving their health.

We all know what can happen when too much focus is placed on the bottom line. We need a long term solution. That is why we have been so focused on bringing you a solution that focuses on value through patient focused improved quality and cost savings.

We continue to work closely with the Department of Health and Human Services to build and maintain the infrastructure necessary for physician-led reform to be successful in NC. We agree with the Department's proposed solution to Medicaid Reform because it is pragmatic, builds on what we do best now and is centered on assuring long-term patient access to healthcare without interruption.

Moving to a value driven system is not only inevitable but it is also the right solution for everyone involved. We look forward to continuing to work with you to make sure that NC is a model for Medicaid programs across the country. Again, thank you for the opportunity to speak with you today. I am happy to answer any questions that you might have at your convenience.